

Exhibit C

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION - SANTA ANA

IN RE:) CASE NO: 8:18-CV-01644-VAP-KESx
)
) CIVIL
)
EAGAN AVENATTI, LLP.) Santa Ana, California
)
) Wednesday, November 28, 2018
) (10:01 a.m. to 10:41 a.m.)

HEARING RE: MOTION FOR PROTECTIVE ORDER

BEFORE THE HONORABLE KAREN E. SCOTT,
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For Plaintiff: SCOTT H. SIMS, ESQ.
Frank Sims & Stolper
19800 MacArthur Blvd., Suite 855
Irvine, CA 92612

For Defendant: MICHAEL AVENATTI, ESQ. (via phone)

Court Reporter: Recorded; CourtSmart

Courtroom Deputy: Jazmin Dorado

Transcribed by: Exceptional Reporting Services, Inc.
P.O. Box 18668
Corpus Christi, TX 78480-8668
361 949-2988

Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

1 again here I believe that the judgment creditor has given us
2 information that the IOLTA accounts may be being used to
3 facility financial transactions that do involve assets of the
4 judgment debtor, and so understanding the other financial
5 records that may be produced, that this may provide a missing
6 piece of the picture. And even if there's not -- you know this
7 is not necessarily an allegation of any wrongdoing as to the
8 use of the IOLTA account, but just in order to understand and
9 be able to follow the trails of funds as they are being
10 transferred between certain accounts without kind of being like
11 a bloodhound coming up at the end of the stream and losing the
12 trail, that that's a sufficient relevancy to be able to
13 investigate and conduct discovery into those particular
14 accounts.

15 With regard to the other privileges that have been
16 asserted, the Court is persuaded by the briefing that was in
17 the opposition to the motion for protective order that
18 established that the Federal privilege law would apply here.
19 This is ultimately a proceeding to enforce the judgment that
20 was entered in Federal Court in a bankruptcy proceeding that
21 was in Federal Court because of the exclusive jurisdiction of
22 the Bankruptcy Court over bankruptcy matters. And so the Court
23 would apply Federal privilege law in deciding whether certain
24 matters were privileged and therefore excluded from the scope
25 of what was discoverable. Under Federal privilege law, there's

1 not an absolute privilege for fee agreements or retainer
2 agreements or tax returns but rather there's a balancing that
3 the Court engages in in order to serve some of the public
4 interests that are served by affording those kinds of documents
5 some protection and yet still serving the public interests that
6 are at stake here in this judgment collection proceeding. When
7 the Court considers the nature of the relationship of the
8 parties, the nature of this particular dispute, and the fact
9 that documents can be produced here on a confidential basis, it
10 seems that that's a sufficient tipping of the scales in favor
11 of production, again with the understanding that those
12 documents can be labeled as confidential in the discovery
13 process.

14 So with that, it appears to the Court that the
15 appropriate production would be to respond to each of the
16 categories in the subpoena consistent with the limitations that
17 are stated in the judgment creditor's status report filed on
18 11/26, and that if there are any documents that are going to be
19 either redacted or withheld on the basis of a privilege, then
20 the judgment debtor would need to provide a privilege log
21 describing what was redacted or withheld and the particular
22 privilege that was asserted as the basis for that; recognizing
23 again that the privilege log would be subject to the
24 limitations described in the judgment creditor's status report
25 because there were certain matters that the judgment creditor

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

A handwritten signature in black ink, appearing to read "Toni Hudson", is written above a horizontal line.

Signed

November 30, 2018

Dated

TONI HUDSON, TRANSCRIBER